

BILL # HB 2399

TITLE: greater Arizona development authority

SPONSOR: Hanson

STATUS: As amended by House Commerce and Military Affairs

REQUESTED BY: Senate

PREPARED BY: John Malloy

FISCAL YEAR

2003

2004

2005

EXPENDITURES

Greater Arizona Development Authority Fund

\$0

\$0

\$0

FISCAL ANALYSIS

Description

HB 2399 would amend the population level at which counties would be required to receive voter approval for financial assistance from the Greater Arizona Development Authority (GADA). Current statute requires that counties having a population over 200,000 but less than 1,000,000 receive voter approval before any financial assistance is granted. Pima County is the only county required to receive voter approval under current statute.

The bill would require that all counties with a population over 800,000 receive voter approval before receiving financial assistance from GADA. This change would include Maricopa County with Pima County in requiring such approval. HB 2399 would continue to allow the other 13 counties in Arizona to receive GADA financing without requiring voter approval.

Estimated Impact

HB 2399 would have no fiscal impact to the state. GADA does not issue loans directly to communities. The fund defrays borrowing costs for these localities. The state balance in the fund serves only as collateral for the loans.

The Department of Commerce does not estimate any fiscal impact associated with this bill.

Analysis

The Greater Arizona Development Authority assists local and tribal governments with the development of public infrastructure projects to enhance local and regional economic development. Voter-approved conditions were added for the authorization of GADA issuances in order to ensure that larger counties did not monopolize financial assistance grants issued by the Authority. Current statute requires that only Pima County receive such approval. HB 2399 would include Maricopa County in the voter approval requirement. The bill would allow counties with populations approaching 200,000 to continue to be excluded from the voter approval requirement by raising the population requirement from 200,000 to 800,000 residents. The following counties have populations approaching 200,000 based on 2002 population figures provided by the Department of Economic Security. Under current statute, these counties would be required to receive voter approval if their population level exceeded 200,000.

<u>County</u>	<u>Population</u>
Pinal	192,395
Yavapai	180,260
Yuma	169,760
Mohave	166,465

(Continued)

Local Government Impact

Local governments utilize GADA financing mechanisms in order to defray costs associated with large public infrastructure projects. The fund is targeted especially toward rural areas of the state that lack the capacity to pursue such projects due to the high costs associated with financing such development initiatives. According to representatives from GADA, the costs associated with an election to gain voter approval oftentimes made GADA issuances cost-prohibitive. HB 2399 would continue to afford the smaller 13 counties in Arizona access to GADA financing without requiring such approval.

Additionally, the bill would extend the population threshold necessary for voter approval so as to ensure that those counties approaching populations of 200,000 continue to be excluded from the population requirement. HB 2399 would also include Maricopa County with Pima County in requiring voter approval for such projects. Neither Pima nor Maricopa County has utilized the GADA program to finance public infrastructure projects.

3/11/03